

GENERAL INFORMATION

If you are unable to pay the full amount due with your individual income tax return, you may request an installment agreement by completing this form. Specify the amount of the monthly payment you propose to make in the block marked "Proposed Monthly Payment Amount."

You are encouraged to make payments as large as possible to lower penalty and interest charges. Under law, penalties up to 2 percent per month plus interest will continue to accrue until you pay the balance in full. Additionally, a 20 percent Cost of Collection Fee may be charged. Depending upon the amount due, a Notice of State Tax Lien may be filed which may adversely affect your credit rating.

To ensure proper handling, **please attach this form to the front of your tax return** when you mail it to the **Kentucky Revenue Cabinet, Frankfort, Kentucky 40620-0005** for processing.


Make your check or money order payable to the **Kentucky State Treasurer** and mark the payment with your name(s), address, Social Security number(s), form number and tax period. If you have any questions about this procedure, please call the Division of Collections, **(502) 564-4921, ext. 5358**.

You will be advised if your request for an installment agreement is approved or denied. If you receive no response to this request within 60 days from the date you file your return, please call the telephone number listed above.

ATTACH THIS FORM TO THE FRONT OF YOUR RETURN



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 12A200 (12-00) REVENUE CABINET		KENTUCKY INDIVIDUAL INCOME TAX INSTALLMENT AGREEMENT REQUEST		2000		
Taxpayer full name(s)			Taxpayer Social Security number		Spouse Social Security number	
Address			City		State ZIP Code	
Home telephone number ()		Convenient time to call		Adjusted gross income (Form 740, line 13; Form 740-S, total of line 9, Columns A and B; Form 740-EZ, line 1; Form 740-NP, line 6, Column A)		
Business telephone number () ext.						
Amount paid with return \$		Amount you owe (740, line 37; 740-S, line 28; 740-EZ, line 14; 740-NP, line 31) \$		Proposed Monthly Payment Amount		
				Amount I am able to pay each month \$		
				Date each month I am able to pay		
Your signature				Date		
Spouse's signature (joint or combined returns only)				Date		

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INDIVIDUAL INCOME TAX INSTALLMENT AGREEMENT REQUEST GENERAL INSTRUCTIONS

A Kentucky taxpayer has the right to consideration of an installment payment agreement for the payment of delinquent taxes, interest, penalties and fees. The right to an installment payment agreement is provided for in KRS 131.081(9) and is primarily dependent on the taxpayer's inability to pay the amount due in full.

Eligibility for an Installment Payment Agreement

A taxpayer must clearly demonstrate an inability to pay the liability in full and the agreement must facilitate collection. Generally this means that taxpayers who have the financial ability to pay with available funds or borrow from a financial institution are not eligible. Therefore, an installment payment agreement should be requested only when there is no other way of paying the liability on time.

Proposed Monthly Payment Amount

The monthly payment amount will be based upon the taxpayer's ability to pay after considering the taxpayer's monthly income and reasonable expenses. Allowable expenses generally include reasonable amounts for food, clothing, housing (and associated expenses), installment payments and other necessary living expenses. The proposed monthly payment amount should be as much as possible so as to minimize the length of the agreement and the accrual of interest, penalties and fees.

Interest, Penalties and Fees

The law provides for the assessment of interest, penalties and fees for tax liabilities paid after the due date. Interest accrues at the tax interest rate (10 percent for 2001). In addition, penalties of 2 percent per month may be assessed on the unpaid tax. A 20 percent Cost of Collection Fee is imposed on tax due which becomes due and payable (generally 46 days after the assessment date). Interest, penalties and fees continue to accumulate while an installment payment agreement is in place. However, the penalties and fees may be waived or reduced if the taxpayer: files the return on time, honors the payment agreement and/or demonstrates reasonable cause.

Setting up the Agreement

Taxpayers who believe they qualify for an installment payment agreement should complete Form 12A200, Individual Income Tax Installment Agreement Request, and **attach an original Form 12A200 to the front of**

the return. This form is color coded for easy recognition during processing. Copies will delay processing the request and may result in additional penalties and interest. The Revenue Cabinet will make every effort to acknowledge receipt of the request within 60 days of the date the return is filed. Upon receipt of the notice of tax due, please contact the Division of Collections, (502) 564-4921, ext. 5358 to discuss setting up the agreement.

State Tax Lien

Depending on the amount and length of the agreement, a State Tax Lien may be filed. If a lien is filed, it will remain on the taxpayer's credit record for up to seven years after the liability is paid and the lien is released.

Making Payment Prior to Receiving the Notice of Tax Due

Interest, penalty and fee charges may be reduced by making a partial payment with the return or making payments prior to obtaining a payment agreement. If making payments prior to receiving the notice of tax due, please include the taxpayer's name(s), Social Security number(s), tax period and the type tax being paid. Checks should be made payable to the Kentucky State Treasurer and mailed to the Division of Collections at the address below.

Assistance

Questions related to installment agreement requests should be directed to:

Division of Collections
Kentucky Revenue Cabinet
100 Fair Oaks Lane
P.O. Box 491
Frankfort, KY 40602-0491
(502) 564-4921, ext. 5358

Form 12A200, Individual Income Tax Installment Agreement Request, is available at Kentucky Taxpayer Service Centers located throughout the commonwealth. Forms may also be obtained by contacting the Division of Collections or:

FORMS
Support Services Branch
Revenue Cabinet
200 Fair Oaks Lane
Frankfort, KY 40620
(502) 564-3658